

SENATE BILL No. 307

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-23; IC 20-46-7-4.

Synopsis: Consolidation of school administrative functions. Provides that the governing body of each school corporation situated in the same county may consolidate administrative functions while continuing the historical legacy of their respective school corporations. Provides that each school corporation is considered a subunit of the consolidated school corporation. Provides that school corporations in a particular county may consolidate: (1) if the governing bodies meet together and adopt a joint resolution declaring their intention to consolidate school corporations; or (2) whenever 20% of the legal voters residing in the district of any school corporation, jointly with 20% of the legal voters in each other school corporation situated in a particular county, prepare a resolution and petition the governing body of their respective school corporations to consolidate the school corporations and an election is held. Provides that debts or obligations paid by a debt service levy incurred by a school corporation before the new consolidated school corporation comes into existence may be levied only on the taxpayers of the subunit that initially incurred the debt or obligation before consolidation. Provides that the resolution consolidating the school corporations must contain an itemized listing of the administrative functions to be consolidated in the proposed new school corporation. Provides that the name or attendance area of each school within a subunit may not be changed for a period of at least 10 years after the date the consolidation comes into existence. Provides that 20% of the legal voters residing in the district of any school corporation may petition the governing body of the school corporation for an election to determine whether or not the majority of the voters residing in the

(Continued next page)

Effective: July 1, 2016.

Kenley

January 6, 2016, read first time and referred to Committee on Education & Career Development.



Digest Continued

district in which the school corporation is located is in favor of consolidation. Requires the department of local government finance to set new maximum levies, which may not be less than the sum of the existing maximum levies adjusted for assessed value growth.



Introduced

Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

SENATE BILL No. 307

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-23-6-15, AS ADDED BY P.L.1-2005,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 15. An action to test or question the legality of a
4 consolidated school corporation may only be brought in an action of
5 quo warranto in the name of the state on information filed by the
6 prosecuting attorney of the county in which the principal office of the
7 consolidated school corporation is located where attempts are made or
8 have been made to consolidate or join together school corporations
9 under the provisions of IC 20-23-6, **IC 20-23-6.5**, or IC 20-23-7, and
10 an election on the question of consolidation has been held and the
11 certificate certifying the vote is filed as provided by law or, an election
12 is not held and the number of days allowed by statutes for filing a
13 petition for an election has expired.
14 SECTION 2. IC 20-23-6.5 IS ADDED TO THE INDIANA CODE
15 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE

2016

IN 307—LS 6868/DI 116



1 JULY 1, 2016]:

2 **Chapter 6.5. Administrative Consolidation of School**
3 **Corporations**

4 **Sec. 1. As used in this chapter, "school corporation" means a**
5 **local public school corporation established under the laws of**
6 **Indiana. The term does not include a school corporation covered**
7 **by IC 20-23-12, IC 20-23-13, IC 20-23-14, IC 20-23-15,**
8 **IC 20-23-17, or IC 20-23-17.2.**

9 **Sec. 2. As used in this chapter, "subunit" refers to the**
10 **geographic territory of a school corporation as the school**
11 **corporation exists at the time the school corporation consolidates**
12 **with one (1) or more school corporations under this chapter.**

13 **Sec. 3. The governing body of each school corporation situated**
14 **in the same county may consolidate administrative functions while**
15 **continuing the historical legacy of their respective school**
16 **corporations in the manner and upon the conditions prescribed in**
17 **this chapter. A school corporation that consolidates with one (1) or**
18 **more school corporations under this chapter is considered a**
19 **subunit of the consolidated school corporation.**

20 **Sec. 4. (a) If the governing bodies of each school corporation**
21 **situated in a particular county desire to consolidate school**
22 **corporations under this chapter, the governing bodies may meet**
23 **together and adopt a joint resolution declaring their intention to**
24 **consolidate school corporations in the manner provided in this**
25 **chapter.**

26 **(b) The members of the governing body of each school**
27 **corporation shall, after adopting a joint resolution, give notice by**
28 **publication once each week for two (2) consecutive weeks in a**
29 **newspaper of general circulation, if any, in the district of each**
30 **school corporation. If a newspaper is not published in the district**
31 **of a school corporation, publication shall be made in the nearest**
32 **newspaper published in the county in which the school corporation**
33 **is located.**

34 **(c) On or before the sixth day following the last publication**
35 **under subsection (b) of the notice of intention to consolidate,**
36 **twenty percent (20%) of the legal voters residing in the district of**
37 **any of the school corporations sought to be consolidated may**
38 **protest the joint resolution by filing a petition with the governing**
39 **body of their respective school corporation to hold an election to**
40 **determine whether or not the majority of the voters residing in the**
41 **district of that school corporation is in favor of consolidation. If**
42 **such a protest petition is filed, an election shall be held in the**



manner provided in sections 7 and 8 of this chapter. If a protest petition is not filed by legal voters under this subsection, the governing bodies shall declare by joint resolution the consolidation of the school corporations to be accomplished, to take effect as provided in section 10 of this chapter.

Sec. 5. (a) Whenever twenty percent (20%) of the legal voters residing in the district of a school corporation proposed to be consolidated, jointly with twenty percent (20%) of the legal voters in each district of every other school corporation situated in a particular county:

(1) prepare a resolution; and

(2) petition the governing bodies of their respective school corporations to consolidate the school corporations, as set out in the resolution;

each governing body petitioned shall call the school election provided for in each school corporation.

(b) Notice of an election described in subsection (a) shall be published within thirty (30) days after the filing of the resolution with the governing body of the school corporation where it is last filed. However, if any of the petitioned governing bodies agree to the consolidation as set out in the resolution, an election in that school corporation is not required under the resolution.

Sec. 6. (a) A resolution under section 4 or 5 of this chapter must set out the following concerning the proposed consolidation:

(1) The name of the proposed new school corporation.

(2) The number of members on the governing body of the proposed new school corporation and the manner in which the members shall be elected or appointed, including the manner of the nomination of members.

(3) If there is to be an election, who shall constitute the board of election commissioners, who shall appoint inspectors, judges, clerks, and sheriffs, and any other provisions desirable in facilitating any election. Where applicable and not in conflict with the resolution, the election is governed by the general election laws of Indiana, including the registration laws.

(4) Limitations on residence, term of office, and other qualifications required of the members of the governing body. A resolution may not provide for an appointive or elective term of more than four (4) years. A member may succeed himself or herself in office.

(5) Names of present school corporations that are to be



merged together as a consolidated school corporation.

(6) Unless otherwise declared in the resolution, a declaration that the name or attendance area of each school within a subunit will not be changed for a period of at least ten (10) years after the date the consolidation comes into existence.

(7) A declaration that debts or obligations paid by a debt service levy under IC 20-40-9 incurred by a subunit before the new consolidated school corporation comes into existence may be levied only on the taxpayers of the proposed subunit that initially incurred the debts or obligations.

(8) An itemized listing of the administrative functions to be consolidated in the proposed new school corporation, including, but not limited to, one (1) or more of the following:

(A) Administrative staffing.

(B) Transportation services.

(C) Food preparation services.

(D) Library services.

(E) Janitorial services.

(9) A declaration that the proposed new school corporation shall be under the direction of a superintendent selected by the governing body with an assistant superintendent administering each subunit.

In addition, the resolution may specify the time when the consolidated school corporation comes into existence.

(b) The number of members on the governing body of the proposed consolidated school corporation as provided in a resolution described in this section may not be less than three (3) or more than seven (7).

Sec. 7. (a) If:

(1) a petition is filed in one (1) or more of the school corporations protesting consolidation, as provided in a resolution adopted by a governing body under section 4 of this chapter, by the legal voters of the school corporation proposed to be consolidated; or

(2) the governing body receives a resolution and a petition under section 5 of this chapter;

the governing body in each school corporation in which a petition or protest petition is filed shall certify the public question to each county election board of the county in which the school corporation is located. The county election board shall call an election of the voters of the school corporation to determine if a majority of the legal voters of the school corporation is in favor of consolidating



the school corporations.

(b) The elections under this section shall be held on the same day in each school corporation proposed to be consolidated. The county election board shall give notice of an election by publication once each week for two (2) consecutive weeks in a newspaper of general circulation in the district in which each school corporation is located. If a newspaper is not published in the:

(1) township;

(2) town; or

(3) city;

a notice shall be published in the nearest newspaper published in the county or counties that, on a day and at an hour to be named in the notice, the polls will be open at the usual voting places in the various precincts in the school corporation for taking the vote of the legal voters upon whether the school corporation should be consolidated with the other school corporations joining in the resolution. The last notice made under this subsection shall be made not less than ten (10) days before the election.

(c) The governing body of each school corporation in which an election is held is bound by the majority vote of those voting. The question of consolidation shall be held in the next primary election, general election, or municipal election in which all the registered voters who are residents of the school corporation are entitled to vote after certification of the question under IC 3-10-9-3. The certification of the question must occur not later than noon:

(1) sixty (60) days before a primary election if the question is to be placed on the primary or municipal primary election ballot; or

(2) August 1 if the question is to be placed on the general or municipal election ballot.

(d) If a majority of those voting in any one (1) school corporation votes against the plan of consolidation, the plan fails.

Sec. 8. (a) The election shall be governed by IC 3, except as provided in this chapter.

(b) The county election board shall conduct the election. The public question shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state "Shall the administration of (here insert the names of the school corporations that the resolution proposes to consolidate) be consolidated into a consolidated school corporation?".

(c) A brief statement of the provisions in the resolution for appointment or election of a governing body may be placed on the



1 ballot in the form prescribed by IC 3-10-9-4. A certificate of the
 2 votes cast for and against the consolidation of the school
 3 corporations shall be filed with:

- 4 (1) the governing body of all school corporations subject to
 5 the election;
- 6 (2) the state superintendent; and
- 7 (3) the county recorder of each county in which a consolidated
 8 school corporation is located;

9 together with a copy of the resolution.

10 (d) If a majority of the votes cast at each of the elections are in
 11 favor of the consolidation of each school corporation of the county,
 12 the governing bodies of the school corporations shall proceed to
 13 consolidate the school corporation.

14 Sec. 9. Each school of the consolidated schools is under the
 15 control and management of the original governing body until the
 16 consolidated school corporation comes into existence at the time
 17 provided in section 10 of this chapter. When the consolidated
 18 school corporation comes into existence, the term of office of each
 19 of the members of the original governing bodies expires.

20 Sec. 10. (a) Consolidated schools are under the control and
 21 management of the consolidated governing body created under this
 22 chapter, and a new consolidated school corporation comes into
 23 existence the later of:

- 24 (1) the time specified in the resolutions provided in section 4
 25 of this chapter;
- 26 (2) if a protest petition under section 4 of this chapter has not
 27 been filed and the creation is accomplished by the adoption of
 28 a joint resolution following publication of notice as provided
 29 in section 3 of this chapter, thirty (30) days after the adoption
 30 of the joint resolution; or
- 31 (3) if the creation is accomplished after an election as
 32 provided in section 8 of this chapter, thirty (30) days after the
 33 election.

34 (b) The members of the consolidated governing body shall:

- 35 (1) take an oath to faithfully discharge the duties of office; and
- 36 (2) meet, for purposes of organizing, at least five (5) days
 37 before the time the new consolidated school corporation
 38 comes into existence.

39 (c) The consolidated governing body shall meet to reorganize on
 40 August 1 of each year and at any time the personnel of the board
 41 is changed. At the organization or reorganization meeting, the
 42 members of the consolidated governing body shall elect the



following:

(1) A president.

(2) A secretary.

(3) A treasurer.

(d) The treasurer of the consolidated governing body, before starting the duties of office, shall execute a bond to the acceptance of the county auditor. The fee for the bond shall be paid from the school general fund of the consolidated school corporation. Any vacancy occurring in the membership in any governing body, other than vacancy in the office of an ex officio member, shall be filled in the following manner:

(1) If the membership was originally made by appointment, the vacancy shall be filled by appointment by the legislative body of the:

(A) city;

(B) town;

(C) township; or

(D) other body;

or other official making the original appointment.

(2) If the membership was elected, the vacancy shall be filled by a majority vote of the remaining members of the governing body of the consolidated school corporation.

(e) The members of the consolidated governing body shall be paid in a manner provided in IC 20-26-4-7.

(f) The governing body of a consolidated school corporation may elect and appoint personnel the governing body considers necessary in a manner consistent with a resolution adopted under this chapter.

Sec. 11. (a) When any school corporation is consolidated by resolution or election under this chapter and the new governing body has been appointed and legally organized under this chapter, the former school corporation is considered a subunit of the consolidated school corporation.

(b) All school:

(1) property;

(2) rights;

(3) privileges; and

(4) debts and obligations;

of the former school corporation are considered to accrue to and be assumed by the new consolidated school corporation.

(c) The title of property shall pass to and become vested in the new consolidated school corporation. All debts of the former school



corporations shall be assumed and paid by the new consolidated school corporation. However, a debt service levy under IC 20-46-7 for debts and obligations incurred by a school corporation prior to the date the school corporation consolidates under this chapter may be levied only in the subunit of the consolidated school corporation that initially incurred the debt or obligation. All the privileges and rights conferred by law upon the former school corporation are granted to the newly consolidated school corporation. All debts and obligations incurred by the consolidated school corporation after the date on which the consolidation becomes effective are considered a debt or obligation of the consolidated school corporation as a whole.

Sec. 12. The governing body of a consolidated school corporation shall, after the members have taken their oath of office, cause a copy of the resolution to consolidate to be filed with the:

- (1) county recorder in the county in which the new school district is located;
- (2) department of local government finance; and
- (3) state board.

Any consolidated school district is declared to be and is made a school corporation for school purposes, separate and distinct from any civil corporation.

Sec. 13. Upon receipt of the resolution under section 12 of this chapter, the department of local government finance shall set new maximum levies under IC 20-46-4 and IC 20-46-5, which may not be less than the sum of the existing maximum levies adjusted for assessed value growth.

SECTION 3. IC 20-46-7-4, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) The governing body of each school corporation shall establish a levy in every calendar year sufficient to pay all obligations.

(b) This subsection applies to a school corporation that consolidates under IC 20-23-6.5. The governing body shall establish a levy for each subunit (as defined in IC 20-23-6.5-2) in each calendar year sufficient to pay the debts and obligations that the particular subunit incurred prior to consolidating with one (1) or more school corporations under IC 20-23-6.5.

